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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA Commercial Mortgage Company
06-10725 – Lead Case

USA Capital Realty Advisors, LLC
06-10726

USA Capital Diversified Trust Deed Fund, LLC
06-10728

USA Capital First Trust Deed Fund, LLC
06-10728

USA Securities, LLC
06-10729

Debtors.

Jointly Administered

Chapter 11 Cases

Judge Linda B. Riegler Presiding

**LIMITED OPPOSITION TO
DEBTORS' MOTION FOR ORDER
APPROVING CONTINUED USE OF
CASH THROUGH OCTOBER 29,
2006 PURSUANT TO THIRD
REVISED BUDGET**

Date: August 4, 2006

Time: 1:30 p.m.

Affecting:

☒ All Cases

or Only:

☐ USA Commercial Mortgage Company

☐ USA Capital Realty Advisors, LLC

☐ USA Capital Diversified Trust Deed Fund, LLC

☐ USA Capital First Trust Deed Fund, LLC

The Official Committee of Unsecured Creditors of USA Commercial Mortgage Company responds to the Motion for Order Approving Continued Use of Cash Through October 29, 2006 Pursuant to Third Revised Budget filed by the Debtors on July 7, 2006 and the Third Revised Budget (the "Budget") filed on July 19, 2006.

1 **I. PROFESSIONAL FEES**

2 The Budget provides a forecast for professional fees incurred. It does not provide
3 for payment of professional fees until the week of September 17, 2006. The amount and
4 source of professional fee payments should be deemed unresolved by this Motion, rather
5 addressed only in the context of an interim award of professional fees.

6 **II. DISTRIBUTION TO LENDERS**

7 The forecast anticipates authority from the Court to make distributions from the
8 collections account, presumably pursuant to a separate motion set for hearing on August 4,
9 2006. Approval of the Budget should not be deemed to be approval of distributions, rather
10 the issue of distributions should be determined only pursuant to that separate motion.

11 **III. ACCOUNTING**

12 Although employment of the Committee's financial advisor is subject to this
13 Court's approval on August 4, 2006, the Committee's financial advisor (Sierra Consulting
14 Group, LLC – Ted Burr) has asked Debtors for information concerning items in the
15 Forecast, back up, and an accounting of actual expenditures to prior forecasts. To date,
16 Debtors have been unable to provide that information.

17 The Motion and the Budget should be approved only on the condition that Debtors
18 cooperate with one financial advisor on behalf of the several committees to completely
19 account for the items in the Forecast, and upon the condition that Debtors provide a
20 weekly report comparing actual results to the Budget to all of the Committees. Absent this
21 information, the Committee and the other Committees are unable to provide any oversight.



1 Dated July 27, 2006.

2 **LEWIS AND ROCA LLP**

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4 By /s/ RC (#006593)

5 Susan M. Freeman, AZ 4199 (pro hac vice)

6 Rob Charles, NV 6593

7 *Attorneys for Official Unsecured Creditors' Committee*